



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 502 (as introduced 7-12-17)
Sponsor: Senator Marty Knollenberg
Committee: Transportation

Date Completed: 5-2-18

CONTENT

The bill would amend the Michigan Vehicle Code to allow a partially disabled veteran to apply for a disabled veteran special registration plate, but not exempt a partially disabled veteran from payment of the registration tax.

Under the Code, a person who is a disabled veteran with an honorable discharge from the armed services may apply to the Secretary of State (SOS) if he or she owns a private passenger motor vehicle, and the SOS may issue a special registration plate inscribed with special identification numbers preceded by the letters "DV" and the words "disabled veteran" inscribed beneath the registration number.

An application for the special registration plate must be on a form prescribed by the SOS, and must be accompanied by a service fee of \$5 and proof that the applicant was honorably discharged from the armed services and one of the following:

- That the applicant has been determined by the Veterans' Administration of the Federal government to have a service-connected total or permanent total disability rating for compensation.
- That the applicant has been determined to have a service-connected total or permanent total disability rating and is receiving disability retirement pay from a branch of the uniformed armed services.

The bill also would allow a person who was a partially disabled veteran to apply for the special registration plate. The applicant would have to submit proof that he or she had been determined to have a service-connected disability rating, along with the \$5 service fee and proof of honorable discharge.

The Code specifies that the special registration plate is exempt from payment of the tax provided for in Section 801. (Section 801 prescribes the registration taxes the SOS is required to collect when registering a vehicle.) Under the bill, this provision would apply only to a totally disabled veteran.

The bill would take effect 90 days after it was enacted.

MCL 257.803f

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have a negligible fiscal impact on the Department of State due to programming costs associated with the provisions of the bill; however, these costs should be minimal and absorbable within current annual appropriations.

According to the Department, there are an estimated 627,000 veterans across the State. An estimated 8,000 totally disabled veterans across Michigan currently are receiving the exemption from the registration tax. Veterans with a partial disability who would qualify under the bill for the DV designation would still be required to pay the required annual registration tax, along with the required \$5 service fee to cover the cost of the DV designation. However, as mentioned above, the Department would have some computer programming costs to allow the DV designation to be extended to a larger pool of veterans.

Fiscal Analyst: Joe Carrasco

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